

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-366-A - ORDER NO. 2000-591

JULY 20, 2000

IN RE: Application of Chem-Nuclear Systems, LLC for Approval of Allowable Costs.))))	ORDER INITIATING PROCEEDING AND REQUIRING FILING OF APPLICATION
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This matter is before the Public Service Commission of South Carolina (the Commission) under the provisions of the “Atlantic Interstate Low-Level Radioactive Waste Compact Implementation Act” (“the Act”), which became effective on June 6, 2000. Under that portion of the Act codified as S.C. Code Ann. §48-46-40(B)(1)(1976), as amended, the General Assembly has authorized and directed the Commission “to identify allowable costs for operating a regional low-level radioactive waste disposal facility” (“Facility”) in South Carolina.

Under the terms of the Act, the “allowable costs” which the Commission must identify are defined as “costs to a disposal site operator of operating a regional disposal facility. These costs are limited to costs determined by standard accounting practices and regulatory findings to be associated with facility operations.” S.C. Code Ann. §48-46-30 (1) (1976), as amended. In conjunction with the exercise of certain responsibilities of the South Carolina Budget and Control Board (“the Board”) to determine disposal rates, the

identification of allowable costs will be used to determine the revenues due to the State of South Carolina for disposal of low-level radioactive waste.

The Act specifically identifies categories of costs which are “allowable” and also excludes certain categories of costs as specifically non-allowable. S.C. Code Ann. §48-46-40 (B)(3). In addition to the statutory designation of allowable and non-allowable costs, the Commission has the discretion to determine other costs which may be allowable or non-allowable. Id. In addition, the Act establishes a fixed operating margin of 29% for an operator of a regional disposal facility. S. C. Code Ann. §48-46-40(B)(5).

Chem-Nuclear Systems, LLC, a subsidiary of GTS Duratek, (“Chem-Nuclear”) operates a Facility in the vicinity of Barnwell, South Carolina. Consequently, Chem-Nuclear is a “facility-operator” subject to the provisions of the Act. Therefore, the Commission has the authority and responsibility to identify Chem-Nuclear’s allowable costs in accordance with the Act.

Under the terms of the Act, the Commission will herein require Chem-Nuclear to file an application for approval of its allowable costs for operation of its Facility. The submission of that application will constitute the initiation of a formal proceeding which the Commission will conduct in accordance with its rules and regulations.

The Commission would expect the contents of Chem-Nuclear’s application to include sufficient information to permit the Commission to identify Chem-Nuclear’s “allowable costs,” which are included in the categories specified in the Act and such other costs as Chem-Nuclear would seek to have the Commission approve as allowable.

The Act requires the Commission to conduct this proceeding in accordance with the South Carolina Administrative Procedures Act and our rules of practice and procedure. S.C. Code Ann. §48-46-40(10). Consequently, the Commission will provide for notice and opportunity for hearing under those provisions of law. Moreover, since the Act identified the Board, the Attorney General of South Carolina and the Consumer Advocate for South Carolina as parties to any proceeding under the Act, the Commission will herein require Chem-Nuclear to serve representatives of those institutions with copies of its application at the time of filing.

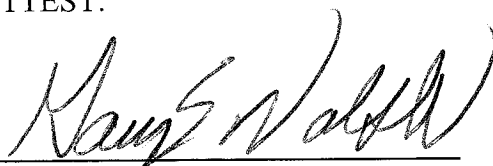
IT IS THEREFOR ORDERED:

1. That this proceeding be initiated under the provision of the “Atlantic Interstate Low-Level Radioactive Waste Compact Implementation Act;”
2. That Chem-Nuclear Systems, LLC, a subsidiary of GTS Duratek file and serve its application in accordance with the provisions of this Order within sixty (60) days of the date of this Order;

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)